



DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

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DIVISION OF
OIL, GAS AND MINING

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Don A. Ostler, P.E.
Executive Secretary

July 27, 2000

Mr. Stephen Flechner
North Lily Mining Company
1800 Glenarm Place, Suite 210
Denver, Colorado 80202

Subject: Approval to Utilize the Overflow Pond for Enhanced In-Pond Evaporation System

Dear Mr. Flechner:

We received your letter dated July 18, 2000, requesting extension of the deadline to cease utilization of the overflow storage pond. In our Notice of Violation and Docket No. UGW20-04, North Lily was required to cease using the barren and the overflow pond by May 19, 2000, unless pond liners and Discharge Minimization Technology (DMT) were restored. The Order also stated that North Lily was to permanently decommission the two ponds by July 30, 2000. On May 19, you requested an extension to the deadline to cease utilization of the pond and proposed to use the overflow pond for enhanced in-pond evaporation. The extension was granted and your company was given permission to use the ponds until July 30, 2000. We understand that the proposed activity has not taken place yet and currently the overflow pond is not being used.

In your letter of July 18, 2000, you proposed to install an enhanced in-pond evaporation system in the overflow pond. The proposal included installing PVC pipelines in a loop around the entire pond and installing mist emitters at intervals around the loop. As indicated in your letter, this in-pond evaporation capacity is necessary in order to discontinue evaporation on the heap leach pad, thus allowing the pad to dry to enable pad reclamation work. Your request to utilize the overflow pond for enhanced in-pond evaporation system is hereby approved based on the following conditions:

1. Per our inspection on July 11, 2000, the primary liner of the overflow pond has deteriorated. From our visual inspection, the secondary liner appears to be in a good condition. However, because the DMT has not been restored in this pond, we will continue to require **maintaining a water level limit of 4 feet or less of standing water in the overflow pond during the proposed operation.** Frequent inspection of the water level in the pond must be performed in order to ensure that the level is maintained as

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required. Proper functioning of pipelines and pumps must be inspected regularly to make sure that the excess water is pumped back to the pregnant pond without delay.

2. The overflow pond must be permanently decommissioned on or before December 31, 2000. A pond closure plan summarizing the necessary procedures to close the pond must be submitted to DWQ prior to this deadline.


The barren pond has been permanently decommissioned. We understand that North Lily is intending to use the pond as a landfill to dispose of demolished building materials, pipes and liners. According to DEQ's Solid and Hazardous Waste rules, such activity may require a landfill permit. Please contact Mr. Ralph Bohn at (801) 538-6794 for more information regarding permitting requirements.

Per our recent phone conversation with you, we understand that you are anticipating selling the 10-acre property that is located east of the heap leach facility. This parcel of land was previously used for land application of the heap leach fluids. You asked if DWQ will have any concern on this matter. While DWQ does not have legal authority to approve or disapprove selling of private property, we must advise you that we cannot provide a release as to whether or not this property has or potentially could pose a risk to ground water quality.

If you have any question, please contact Beth Wondimu of this office at (801) 538-6084.

Sincerely,

UTAH WATER QUALITY BOARD


Don A. Ostler, P.E.
Executive Secretary

DAO:FP:BW

CC: Central Utah Health Department
Fred Nelson, Assistant Attorney General
Roger Foisy, District Engineer
Wayne Hedberg, Division of Oil, Gas and Mining
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